

## Q1 2024

### Background

Minnesota's Efficient Technology Accelerator (ETA) was launched in 2023 as a statewide market transformation program to accelerate deployment and reduce the cost of emerging and innovative efficient technologies, bringing lower energy bills and environmental benefits to all Minnesotans. Funded by investor-owned utilities and administered by the Minnesota Department of Commerce, Division of Energy Resources, Minnesota's ETA is implemented by Center for Energy and Environment. This partnership exists to:

- Drive a strategic process to accelerate market deployment of key technologies;
- Employ effective strategies to leverage market forces;
- Become a hub for collaboration among stakeholders; and
- Achieve cost-effective energy savings and other benefits for utilities and Minnesotans.

To work toward these goals, the program vets and supports the scaling of new technologies, ultimately saving energy while reducing carbon emissions.

In 2023, we worked to better understand the market and current conditions, crafted long-term strategies for our portfolio of initiatives, piloted activities, and gained approval from our funders to deploy our initiatives in the market. Four initiatives were approved for market deployment in 2023 and early 2024:

- Residential air source heat pumps
- High-performance windows
- Luminaire-level lighting controls
- High-performance rooftop units



### Market deployment highlights

#### Residential air source heat pumps (ASHP)

Thanks to prior collaboration and funding from Minnesota utilities, the Minnesota ASHP Collaborative was established prior to the launch of ETA. This program removes upstream barriers to ASHP adoption by providing educational resources and supports to distributors and installation contractors. Activities to accelerate the market in 2024 continue to emphasize contractor training, with an additional focus on creating strategies and resources to increase customer awareness and demand for the technology. During the first quarter, the program team:

- Trained roughly 450 contractors through 10 training events across the state;
- Presented at 7 regional distributor-hosted dealer (i.e., contractor) meetings to increase ASHP interest; and
- Enrolled 8 new contractors in the Preferred Contractor Network and attracted 40 into the network pipeline.

Looking ahead, the ASHP initiative will increasingly research and develop customer messaging and resources, enhance contractor curriculum, continue training education, support the development of Inflation Reduction Act ASHP offerings, and support product advancement and innovation.

## Market deployment highlights

### High-performance windows (HPW)

The high-performance window initiative is diving into market deployment by developing market actor relationships and establishing a meaningful approach to demonstrate the value of high-performance windows. To pursue these goals in Q1, the HPW initiative has:

- Assumed leadership of the Partnership for Advanced Window Solutions, a national campaign to advance the product category;
- Supported plans for HPWs to be installed in 89 Minnesota homes by working with the Minnesota Department of Commerce to include HPW product definition in their Sustainable Energy Resources for Consumers (SERC) grant;
- Worked with Energy Star to allocate HPW ad funding to the Minnesota market to increase regional awareness;
- Identified project materials, overviews, and a dissemination plan to increase reach and awareness among key market actors; and
- Developed a list of national products meeting the initiative's specifications as well as a supply chain directory to guide outreach.

In Q2, staff will further develop messaging, promotional collateral, and training materials to encourage and empower installers to sell and promote HPW products.

### Luminaire-level lighting controls (LLLCs)

The LLLC initiative has launched a new program brand called SCALE (Smart Controls Accelerating Lighting Efficiency). In addition to its new branding, SCALE has been digging deeper into the local commercial lighting market to uncover opportunities to advance the technology. In Q1, the team:

- Installed the first LLLC pilot site at BI Worldwide headquarters in Edina to demonstrate the technology in high-value applications, monitor energy impacts, disseminate key findings, and facilitate interaction with the technology;
- Secured 14 strong leads for additional demonstration sites;

- Held 4 training events in Duluth, Eagan, Mahanomen, and Hankinson to introduce lighting professionals to the technology, learn what resonates, and identify early partners and opportunities;
- Completed well-received initial meetings with 6 local manufacturer representatives, 2 manufacturers, and 1 energy services company to introduce the program and identify early adopters, partners, and opportunities; and
- Continued working with a third-party data aggregator to glean deeper insights into local LLLC market adoption.

For the next quarter, SCALE will continue monitoring the Edina pilot site, recruit additional technology demonstrations, pursue training and education around how LLLCs can enable new construction code compliance, and continue working with manufacturers to advance the technology in Minnesota.

### High-performance rooftop units (RTUs)

Our portfolio's newest addition is the next generation of rooftop units, pushing innovation in an existing product category that is already present in 80% of Minnesota's commercial building stock. This technology includes energy recovery ventilators and heat pumps integrated into the RTU for maximum energy savings and carbon emissions reduction. It merits consideration for any business looking to meet sustainability goals and reduce its carbon footprint.

In 2023 and 2024, the ETA team clarified the product definition, energy savings, and emissions reduction potential, and also distilled the strategy to transform the RTU market. Planning efforts were approved by the ETA funding committee and the initiative will be deployed in the market this year. To learn more, visit our initiative page and RTU resources.